

Portfolio Valuation Up +2.2% YoY to US\$1.35 billion

- Prudent allocation of capital dollars was key to asset value appreciation.
- Return to office gains momentum. Leasing environment continues to improve.
- FY2024 Gross revenue was US\$141.0 million. Maintained cash distribution of c.10% of distributable income for 2H2024.

Singapore, 19 February 2025 – Prime US REIT Management Pte. Ltd., the Manager (the “**Manager**”) of Prime US REIT (“**PRIME**”), a real estate investment trust comprising high-quality class A office buildings portfolio in the United States (“**U.S**”), today published its financial results for the second half year (“**2H2024**”) and full year ended 31 December 2024 (“**FY2024**”).

Annual valuation of Investment Properties

PRIME’s year-end portfolio valuation saw a 2.2% increase in portfolio valuation as compared to 2023. The Manager attributes the higher valuation to: (1) PRIME’s well-diversified portfolio and active management; (2) prudent allocation of capital expenditure in 2024; (3) positive leasing momentum; (4) high quality assets; and (5) limited new constructions. Consequently, aggregate leverage improved to 46.7% as at 31 December 2024.

Prudent Capital Management & Liquidity

PRIME continues to adopt a prudent approach to capital management and to manage debt ratios within required regulatory thresholds. Following the completion of refinancing and divestment exercises in 2024, PRIME’s aggregate leverage stood at 46.7%. This represents approximately US\$92.5 million debt headroom to MAS 50% leverage threshold. As of 31 December 2024, 67% of borrowings are hedged or fixed to mid-2026 and beyond. PRIME has a fully extended weighted average debt maturity of 2.8 years.

2H2024 Financials

PRIME’s 2H2024 gross revenue and net property income (“**NPI**”) were US\$67.5 million and US\$35.4 million respectively, while FY2024 gross revenue and NPI were US\$141.0 million and US\$76.0 million respectively. Distributable income per Unit was 1.13 US cents and 2.92 US cents for 2H2024 and FY2024, respectively.

Distribution

PRIME understands the importance of regular distributions. We remain fully committed and focused to deliver the best outcomes to Unitholders. With PRIME's long-term interest in mind, similar to 2H2023, the Manager has made the decision to announce a distribution per Unit of 0.11 US cents, equating to approximately 10% of the distributable income, in order to balance our objectives to preserve a substantial proportion of distributable income to meet PRIME's capex needs and reinvest cash flows in the business. Going forward, the Manager will continue to evaluate PRIME's distribution policy dynamically, factoring in macro, regulatory and REIT-specific developments.

Active Asset Management Strategies Focused on Leasing

PRIME's lease signings increased 1.9% year-on-year ("YoY") from 581k sf in FY2023 to 592k sf of leases in FY2024. New leases and renewals executed in FY2024 recorded a positive rental reversion of +1.8%, extending the WALE from 4.0 years a year ago to 4.4 years. Leased occupancy was 80.0%. PRIME has seen good leasing momentum in several of its assets as reflected in sizable potential new leases in Sacramento, Maryland, Denver, Atlanta, St Louis, and St Antonio.

Outlook

U.S. real GDP grew 2.3% in 4Q2024¹. Unemployment rate edged down to 4.0% in January 2025, versus 4.1% in December 2024². U.S. job growth moderated in January 2025. Personal consumption expenditure (PCE) price index was up 2.6% YoY in December 2024². CPI inflation rate increased by 3.0% YoY in January 2025².

The Fed kept the target fed rate unchanged at 4.25%-4.50% in January 2025, after a series of rate cuts (aggregated 100bps) that commenced in September 2024, as the Fed weighs in on economic stability, job market, progress on curbing inflation, along with Trump's tariffs stances³.

With return-to-office mandates gaining momentum, office leasing volume has established a new post-pandemic high. Leasing activity was up 4.9% QoQ, and 17.6% YoY in 4Q2024. Office leasing volume has climbed for three consecutive quarters, establishing a new post-pandemic high in 4Q2024. Sublease additions fell 26% YoY in December 2024, in tandem with a broader decline in downsizing activities. Sublease backfills have also been active, growing 11% YoY even as availability levels are declining. Sublease availability is declining rapidly⁴.

The pipeline of new supply has also continued to fall. Office groundbreakings remain near all-time lows in 4Q2024. Overall availability declined for two consecutive quarters, pointing to

potential decline in vacancy in 2025. Office inventory removals have increased at a rate of more than 20% annually since 2019. Class A assets in prime urban and suburban submarkets outperform, driven by tenant preferences for modern, amenity-rich spaces⁴.

Looking ahead, the Manager remains cautiously optimistic. As the economic landscape stabilizes, PRIME is expected to continue benefiting from a positive leasing momentum, with a diversified and resilient tenant base supporting steady rental income. While the interest rate outlook remains uncertain, PRIME's focus on maintaining operational efficiency, deeper tenant engagements and a strong balance sheet, positions the REIT to navigate the current environment and provide value to investors going forward.

1. U.S. Bureau of Economic Analysis Advance Estimate 4Q 2024
2. U.S. Bureau of Labor Statistics December 2024 and January 2025
3. U.S. Federal Reserve Press Release (29 January 2025)
4. JLL Research Office Outlook Q4 2024

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About Prime US REIT

Listed on 19 July 2019 on the Main Board of the Singapore Exchange, Prime US REIT ("PRIME") is a well-diversified real estate investment trust ("REIT") focused on stabilised income-producing office assets in the United States ("U.S."). With the objectives to achieve long-term growth in distributions per unit and net asset value per unit while maintaining a robust capital structure, PRIME offers investors unique exposure to a high-quality portfolio of 13 Class A freehold office properties which are strategically located in 12 key U.S. office markets. PRIME's portfolio has a total carrying value of US\$1.3 billion as of 31 December 2024.

About the Sponsor

KBS Asia Partners Pte. Ltd. ("KAP") is the Sponsor of PRIME. The shareholders of KAP include founding members of KBS, one of the largest owners of premier commercial real estate in the U.S. As a private equity real estate company and an SEC-registered investment adviser, KBS and its affiliated companies have completed more than US\$43 billion of transactional volume on behalf of private and institutional investors globally since inception in 1992.

About the Manager

PRIME is managed by Prime US REIT Management Pte. Ltd. (formerly known as KBS US Prime Property Management Pte. Ltd.) which is jointly owned by KBS Asia Partners Pte. Ltd., Keppel Capital Two Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Management Pte Ltd, Times Properties Private Limited, a wholly-owned subsidiary of Cuscaden Peak Investment Pte Ltd (formerly known as Singapore Press Holdings Limited), and Experion Holdings Pte. Ltd., a wholly-owned subsidiary of AT Holdings Pte. Ltd. The Manager has general powers of management over the assets of PRIME. The Manager's main responsibility is to manage PRIME's assets and liabilities for the benefit of Unitholders. The Manager will set the strategic direction and provide, investment, asset management, capital management, internal audit, human resource, information technology, accounting, compliance, and investor relations services to PRIME. For more information, please visit www.primeusreit.com.

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